PLANNING AND PROGRAMME IMPLEMENTATION (SHRI RAM NAIK): (a) to (c): The nuclear tests carried out by India on 11th and 13th May, 1998 were guided by the National Security consideration. These tests are a continuation of the policies set into motion that put this country on the path of self-reliance and independence of thought and action. The Government is confident that initial negative responses of some of our friends to our nuclear tests will be moderated as our position gets better understood and it will not have any significant impact on our economic development.

**Cost Overrun on Major Projects**

1014. SHRI GAYA SINGH:
SHRI GURUDAS DAS GUPTA:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the country has lost over 45000.00 crores due to cost and time overrun in executing major and mega projects;

(b) If so, the extent of cost overrun on the delayed projects under various sectors of economy; and

(c) what steps are proposed to be taken to reduce the period between the approval and execution of the projects?

THE MINISTER OF STATE IN THE MINISTRY OF RAILWAYS, PARLIAMENTARY AFFARIS AND PLANNING AND PROGRAMME IMPLEMENTATION (SHRI RAM NAIK): (a) The Central Sector projects are approved at estimated costs corresponding to the price level existing in the year of approval. The project cost increases due to general escalation during implementation period, exchange rate variations, changes in custom duty, increase in cost of resettlement & rehabilitation and other factors. As on March, 1998 out of 230 projects costing Rs. 100 crores and above, 118 projects were delayed with respect to their latest approved dates of commissioning. The estimated cost overrun in 118 delayed major and mega projects is Rs. 16,496 crores.

(b) The extent of cost overrun and time overrun is given in the enclosed Statement (*See* Appendix 184, Annexure No. 33).

(c) The steps taken or proposed to be taken to cut delays in implementation is given in the enclosed Statement. (*See* below)

**Statement**

The projects face various types of problems during the course of implementation. The exact measures taken to ensure speedy and efficient implementation depend on the nature of the problems being faced by the projects. The important measures being taken in general are as follows:

—Intensive monitoring of projects on various levels. This enables the monitoring agencies to identify constraints and helps the management in taking remedial measures.

—In-depth critical review of the progress by the Project Authorities and Administrative Ministries.

—Setting up of Task Force/ Empowered Committees for speedy finalisation of contract packages, solving land acquisition and other problems.

—Close follow up by the Department of Programme Implemention concerned administrative Ministries and Project authorities with the State Governments. equipment suppliers, contractors consultants and other concerned agencies to minimise delays.

—Inter-ministerial coordination and interaction.

—Emphasis on preparation of realistic project implementation plan.

—Review by the Committee of Secretaries of the specific projects facing constraints.